

State of the City Address

City of Wilmington

January 30, 2006

Good evening. On behalf of the entire Wilmington City Council, I would like to welcome you to the second annual State of the City Address. I want to thank all of you for being here and for showing support for our great city.

This is truly an exciting time in our community, and this address gives us time to pause and look back over the past year – to review our successes as a community and learn from our challenges. More importantly, it gives us time to look forward into the coming year to our opportunities to build on the solid foundations we laid in 2005.

On a personal note, I know the entire Council joins me in thanking our families for their patience, support and sacrifices. Kimberly and many of our family members are here tonight and I know others are watching on TV. We understand the extra burden our service on the City Council places on each of you and we could not do this without you.

We would also like to thank our City Manager, Sterling Cheatham, his leadership team and all of the over 1100 employees of the City of Wilmington for their tireless work and dedication in carrying out so many initiatives this past year. I have said many times that the city manager is like a juggler trying to keep hundreds of balls in the air and the City Council is on the sidelines, continuing to throw more and more balls at him. Sterling, thanks for keeping them in the air. We have some more planned for 2006.

Lessons Learned

As we look back through 2005, we see a year of amazing success stories and a year of challenges. But we also found that these challenges create opportunities. We have taken great strides in our economic development efforts and adding new and better paying jobs in our community, while at the same time, recognizing the need for investments in our aging infrastructure – investments that are essential to an exciting and growing community.

The successes we will outline here tonight did not happen by accident or occur in a vacuum. These accomplishments are the result of a focused, cooperative effort driven by many partnerships we have forged this past year. The entire City Council understands the importance of cooperation, communication and partnership building – which have become the foundation of our work and the foundation of our success as a community. I would also like to take a minute to thank the hundreds of volunteers who dedicate so much of their time to the many city committees and commissions. We certainly want to recognize your contributions to our successes as a city and thank you again for your dedication, commitment and support.

As we begin, I think it's appropriate to take a few minutes and look back on a couple of truly painful experiences we all lived through together as a community. You know, I was asked not long ago in an interview – "Has there been anything you have experienced as mayor that you were not prepared for?" As I thought back, I had spent hours and hours understanding budgets, utility systems and economic development initiatives, but nothing...nothing prepared me for the phone call at 2AM explaining that one of our police officers, Sergeant Mike Fey had been shot, was critically wounded, and was fighting for his life in emergency surgery. Nothing prepared me for the look of desperation on the faces of what seemed like hundreds of fellow police officers who had already gathered at the hospital by the time I arrived at about 2:15. Nothing prepared me for that first meeting Mike's wife, Samantha, outside the operating room. Nothing prepared me for the short conversation between Samantha and the surgeon. As Samantha asked for any information on his status, the surgeon simply said, "Samantha, he is alive right now and we are fortunate for that."

But from our worst nightmare came some of the best Wilmington has to offer – the best of a wife in Samantha Fey, her strength, her courage and her dignity; the best of a police department which stood by Mike like family; the best in a true Wilmington hero, Officer Jason Oakes who bravely came to Mike Fey's aid that night during the shootout; the best of a community which rallied to aid Mike and his family during his recovery and the best of a city government which identified gaps in benefits for those seriously injured while serving our city. I would like thank the City Council and our city leadership for supporting these important benefit changes which protect those who protect us.

Most appropriately, earlier this month, Officer Fey was awarded the Purple Heart for his courage and willingness to stand firm in the face of danger and Officer Oakes was awarded the Medal of Valor for his bravery in coming to the aid of Sergeant Fey.

We, as a community, have learned a great deal about bravery from these two Wilmington heroes and we are a better community because of them.

Nothing compares to this experience, but I do want to take a minute to also talk about the lessons learned from another challenge from 2005, the sewer spills. As awful as these spills were, they did bring to light the aging of our system, which has given us a forward-thinking focus and a commitment to long-term investments that simply must be made. We are taking a two-prong approach to these improvements and investments.

First, since both spills occurred at the Northeast Interceptor which carries wastewater from parts of the City of Wilmington, much of New Hanover County and all of Wrightsville Beach, our initial focus is on this line. In addition to the obvious repairs which have been made, we have engaged an engineering firm to analyze the entire nine-mile line from Bradley Creek to the Southside Treatment Plant on River Road. We are asking for short and long-term recommendations and have also accelerated funding for a combination of these improvements and for a redundant backup line. Of course, we will be asking our partners, New Hanover County and the Town of Wrightsville Beach to join us in this improvement effort.

The second prong to our improvement efforts is to engage an outside engineering firm to evaluate our entire sewer system, which consists of over four hundred miles of lines and carries more than 14 million gallons of wastewater daily. Again, we are asking for short, intermediate and long-term solutions. We are a historic city with an aging system. We are committed to making the improvements to ensure the protection of our most precious natural resource, our environment.

Economic Development

But, as we grappled with these challenges as a community, we also have stayed focused on our economy – new, better paying jobs and specific plans to manage our growth. Through a cooperative effort, our community has brought in thousands of new jobs and our newly adopted Future Land Use Plan gives us a roadmap for planned, quality growth in the future.

Our downtown is perfectly poised to become a vibrant retail, office and residential center, spurred by the redevelopment of the northern riverfront, which is anchored by PPD and our convention center. After years and years of work, just two weeks ago, our City Council approved the design of the convention center. Two thousand five was an important year for the convention center project, which has been led by Dale Smith, Chairman of the Convention Center Task Force. I would like to thank Dale and all of the members of this team who have been the leaders in bringing us to where we are today.

Under their leadership, we have selected a world-class development team, Amada Hoffler, who has tremendous experience and a proven track record in waterfront convention centers. We have developed a unique development and management agreement which is designed to protect the citizens of Wilmington by requiring any potential operating losses on the center to be absorbed by our private partner in the project. As promised, the convention center will be built with proceeds from the room occupancy tax and no local property taxes will be used to build or operate the center. The adjoining Marriott Hotel will be privately funded and will add millions of dollars to our tax base downtown. We have received approval from the New Hanover County Tourism Development Authority and construction-level plans will be developed in the coming months. An exciting addition to the project is the expansion of the nearby Coastline Inn by more than 100 rooms – a private investment of more than \$22 million.

The development of our regional convention center is an important part of our overall economic development strategy, not just for downtown, but for the entire region. In addition to providing jobs, the convention center and the resulting businesses it will attract will add millions of dollars to our property tax base and also generate enhanced sales tax revenues. These revenues will allow us to implement the infrastructure improvements which are so vitally needed while also allowing us to hold down your property tax rate.

But the convention center is just one of our overall economic development initiatives. Without question, our greatest economic development activity for 2005 was PPD's announcement early in the year that they planned to double their employment at their

downtown global headquarters from 1,000 to 2,000 jobs over the next seven years. This commitment to our downtown and our entire community has set the stage for our downtown to evolve into a true retail, office and residential community. As evidence of this, there are currently over 200 residential properties at various stages of planning and development in downtown right now.

PPD was certainly the largest and most impressive announcement of the year, but it was by no means the only one. Through a cooperative effort, Guilford chose Wilmington as its new headquarters, bringing executive jobs with salaries averaging over \$150,000 a year. Two thousand five also saw the North Carolina Biotechnology Center choose Wilmington for a regional center focusing on job opportunities in the rapidly changing biotech industry. Also in 2005, we initiated a small business loan program to help develop small, growing businesses which are the backbone of our economy.

Investments in Our Future

But, as we plan for these new jobs, we also recognize that we need to continue to invest in our future. In 2005, we broke ground on our long-overdue new police headquarters. The project is approximately a third complete and is on budget. We have also invested in acquiring land for two new fire stations – one on Masonboro Loop Road and one on Oleander Drive in the Seagate area. We expect construction to begin on the Masonboro facility in a few weeks with Seagate to follow in a few months. These new fire facilities will primarily support the residents of the most recently annexed areas of our city.

This past summer, we also completed the second phase of our Operations Center on River Road. Work on the third phase began this past fall and we expect to have this final phase completed this coming summer. I am very proud to report that all of these facilities have been, to date, built on schedule and on budget.

Our final major infrastructure investment for 2005 was the completion of the 180-foot gap in our top-rated downtown attraction - the River Walk. This completion gives us a continuous River Walk, almost a mile in length, from the Coastline Center all the way through our historic downtown to Nun Street. An independent marketing survey by Randall Marketing, which was released in 2005, identified our river walk as the top rated attraction in downtown Wilmington. Completion of this missing link was essential to the future of the river walk project.

Transportation

If I can, next let's talk briefly about transportation – roads, sidewalks and traffic improvements. Transportation improvements have been, and will continue to be, a top priority of the City Council and I know they're at the top of your list as well.

Last year, we continued to accelerate our Neighborhood Traffic Management Program, which strives to work cooperatively with citizens to find specific solutions tailored to the needs of each neighborhood. In 2005, we completed four neighborhood traffic studies and implemented short-term solutions. We have included funding in our capital plan for

long-term solutions as well. Additional funding will be provided through the proposed streets improvement bond in May.

Also in 2005 we responded to the challenge to our SafeLight program. Faced with funding challenges, our staff developed an innovative plan to maintain and continue to fund this vital program. The SafeLight program has reduced collisions at targeted intersections by 31% and most importantly, personal injuries have been reduced by 39%. Because of the ingenuity of our staff, we were able to maintain this vital program, which means that fewer of our citizens were needlessly injured due to red light violators.

Also, in our downtown area and specifically on the north side, we began construction of the long-awaited 5th Avenue bridge. This bridge will reconnect the north side area to downtown and enhance the ongoing north side revitalization effort. The Thelma Bull Bridge will lead to reduced crime and better traffic flow as well as better access for emergency services. Again, this project was made possible through a partnership between the City of Wilmington and the North Carolina Department of Transportation and was supported by Senator Julia Boseman. This project would not have been possible without that partnership. We want to thank Senator Boseman and our board member on the North Carolina Transportation Board, Lanny Wilson.

And speaking of the DOT, in 2005, we opened the final leg of the Martin Luther King, Jr. Parkway, giving us a direct gateway into our downtown. Through our proposed street improvement bonds, we hope to further partner with the DOT in providing improvements to the North 3rd Street corridor, which is now a major entrance to our downtown.

The city is also partnering with the state on a number of conservation initiatives, including efforts to coordinate citizens for car pooling, providing transportation from neighboring counties and providing employers with alternative transportation options. The City of Wilmington is a pilot site for this program and has one of the highest participation rates so far. As we continue to look for ways to improve our roads and our transportation systems, these types of programs will become even more important.

The last area I will touch on regarding transportation deals with improvements to our city streets and sidewalks. Now this may not seem very glamorous, but believe me, when you hit a pot hole, I hear about it – and sometimes you hit potholes late at night and on weekends. In 2005, we repaired more than 9 miles of city streets and over 2.5 miles of sidewalks and plan to do even more in 2006 from proceeds from the proposed streets bond referendum on May 2.

Green Space and Parks

I'd like to shift gears for a minute and talk about green space and our city parks. With the proposed green space and parks referendum in front of us, we have had quite a bit of discussion about our need for more green space and improved parks. As we look forward with excitement to the opportunities the bond referendum will provide, I think it is important to look back at our improvements during 2005.

Greenfield Lake is arguably our most impressive park in Wilmington, but over the years, the lake has become overgrown and unsightly. In 2005 we focused on a multi-prong plan to improve the quality of this precious resource and it is clear that our efforts have paid off. The water has cleared up dramatically from these efforts and we look forward to continuing our work there. We have also built four new observation decks around the lake and have worked to improve some of the garden areas and the bike/pedestrian trail.

We also made a number of improvements at other parks including Northside, Empie and McCrary parks. We've resurfaced basketball courts at four parks, made improvements to Godwin Stadium and expanded the Farmers Market to include a Wednesday morning market at Halyburton Park.

Also this past year we have held a series of meetings with residents in the Maides Park area to develop a community plan with a prioritized list of improvements for that park. This community driven plan is in place and short-term improvements include the addition of a picnic shelter and new bathrooms. Extensive Maides Park improvements are included in the proposed green space/parks bond referendum.

And one of our most exciting improvements last year was the restoration of the Kenan Fountain at Market Street and 5th Avenue. This was the fountain's first major facelift since it was erected in 1921. The same family who brought the fountain to Wilmington in 1921 – the Kenan family – also funded a majority of these improvements through a \$250,000 donation from the Kenan Charitable Trust. On behalf of the City Council, I'd like to thank the Kenan family for their contribution, which has made such a difference to our downtown.

But, as I have mentioned several times, it is time to look forward as we think about our green space and park needs in our community. We are excited to enter into yet another partnership with New Hanover County, this time to provide a joint effort to improve parks and green space in Wilmington and throughout the county. As I mentioned, you will have an opportunity to support the funding for these proposed improvements on May 2nd.

Partnerships

Throughout the evening, I have mentioned partnership after partnership, which have become the foundation for moving our city ahead. I would like to take a few minutes and mention some of these partners again and restate our commitment to cooperation and our appreciation to each of these organizations for their leadership.

At the top of the list is New Hanover County. We entered 2005 with high hopes for partnership opportunities with the county and we are proud of the cooperative efforts that are saving our citizens millions of dollars. From joint economic development and job recruitment efforts such as PPD and Guilford - to our joint public safety training facility - to the proposed green space/parks bond referendum – to the merger of our public transportation systems - to our work on water /sewer consolidation, we have truly forged a partnership with New Hanover County. I want to personally thank Chairman Bobby

Greer, Vice Chairman Bill Caster and all of the county commissioners for their leadership. Through these efforts, I really believe we are providing better services to our community for less money.

But our cooperation with New Hanover County is just one of many partnerships we have developed in 2005. As I noted earlier, we have developed a strong partnership with the North Carolina Department of Transportation on a number of joint initiatives to improve our roads, traffic and transportation infrastructure. I cannot say enough about the work of Lanny Wilson, our representative on the North Carolina Transportation Board. Lanny has been a valuable resource for our community and we look forward to continuing and even strengthening our partnership with Lanny and the DOT.

Also, our partnerships with our economic development engines - Wilmington Industrial Development, Wilmington Downtown, Inc., the Wilmington Film Commission and the Greater Wilmington Chamber of Commerce are the foundation for our successes in job creation and economic development. I want to thank Connie Majure-Rhett at the chamber, Scott Satterfield at WID, Johnny Griffin at the film commission and Susi Hamilton at Wilmington Downtown for their leadership in economic development. Those individuals and their organizations are the true foundation of our economic development efforts and I want to thank them again for their leadership.

And I could not end without mentioning our strong partnerships with our higher education institutions, UNC Wilmington and Cape Fear Community College. In addition to driving millions of dollars into our economy, these institutions are leading the way in preparing our workforce for new, better paying jobs. I'd like to again thank Chancellor DePaolo for her leadership efforts behind our joint task force on city/university relations. Also, I want to thank President McKeithan and his team for their leadership behind the joint public safety training facility which will save our taxpayers thousands of dollars by eliminating duplicated efforts.

Look to the Future

Well, where do we go from here? Let's talk about priorities for 2006. As we look to the future, please understand that we will use our successes of the past as our foundation to build for the future. We will continue to focus on jobs and economic development because that gives us the financial foundation to build our infrastructure.

But, with a sound financial foundation, we will focus on building and rebuilding our infrastructure in 2006. I have already outlined our plans for improvements to our aging sewer system and we look forward to accelerating this plan in 2006.

Next, we will focus on our transportation needs, which will be funded primarily by our streets improvement bond. This funding will be used to widen Independence Boulevard, accelerate our neighborhood traffic management recommendations, install badly needed sidewalks, develop and install traffic signal upgrades for better traffic flow and improve our entranceway infrastructure on North 3rd Street at the Martin Luther King, Jr. parkway entrance to downtown.

Our third major focus in 2006 is, of course, green space and parks. Some of the projects to be funded by the green space/parks bond include the purchase of scarce land for parks similar to Halyburton, improvements and enhanced tennis facilities, softball/baseball facilities, improvements to existing parks such as Empie, Maides and Greenfield Lake, provide bike and pedestrian trails connecting our existing parks and to provide park space in the most recently annexed areas. Working cooperatively with New Hanover County will ensure there is no duplication of services or expenses, which will save the taxpayers of Wilmington over \$4 million.

We have just completed our recent budget retreat and we are confident that we can provide both the streets and the green space/parks bonds for these essential improvements without increasing city property taxes. Again, you will have an opportunity to support these initiatives on May 2nd.

Also in 2006, we look forward to the completion of PPD's new global headquarters on the riverfront, completing the final construction level design work on the convention center, paving the way for groundbreaking later this year and completion of our long-awaited police headquarters.

We on the City Council are proud of the partnerships we have developed, which have become the foundation of our successes. We look forward to enhancing those relationships even further to meet the ever increasing challenges of a vibrant, exciting city.

Thank you again for your involvement and your support. This is your city and we are privileged and honored to lead it.

Thank you.